



**Platform
Cooperativism
Consortium**



INSTITUTE
FOR THE
COOPERATIVE
DIGITAL
ECONOMY

POLICY PROPOSALS FOR PLATFORM COOPERATIVES IN INDIA

A Report by

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About the Institute for Digital Cooperative Economy

The Institute for the Cooperative Digital Economy (ICDE) is the research division of the Platform Cooperativism Consortium. Established in 2019, its research covers the emerging cooperative digital economy, which is a relatively unexplored domain in fields like anthropology, political science, sociology, history, law, and economics. The cooperative digital economy is rapidly expanding and is closely linked to labor and cooperative studies. The ICDE's work also focuses on finance, entrepreneurship, and organizational studies in business schools, as well as governance and corporate structure, which are critical subjects in law schools.

At the ICDE, we recognize that scholars, technologists, artists, community organizers, and cooperators equally contribute valuable insights to the development of a more just and equitable digital economy. Therefore, the Institute's mission is to provide applied and theoretical knowledge, education, and policy analysis to bridge the research gaps in the emerging cooperative digital economy. Learn more at <https://platform.coop>

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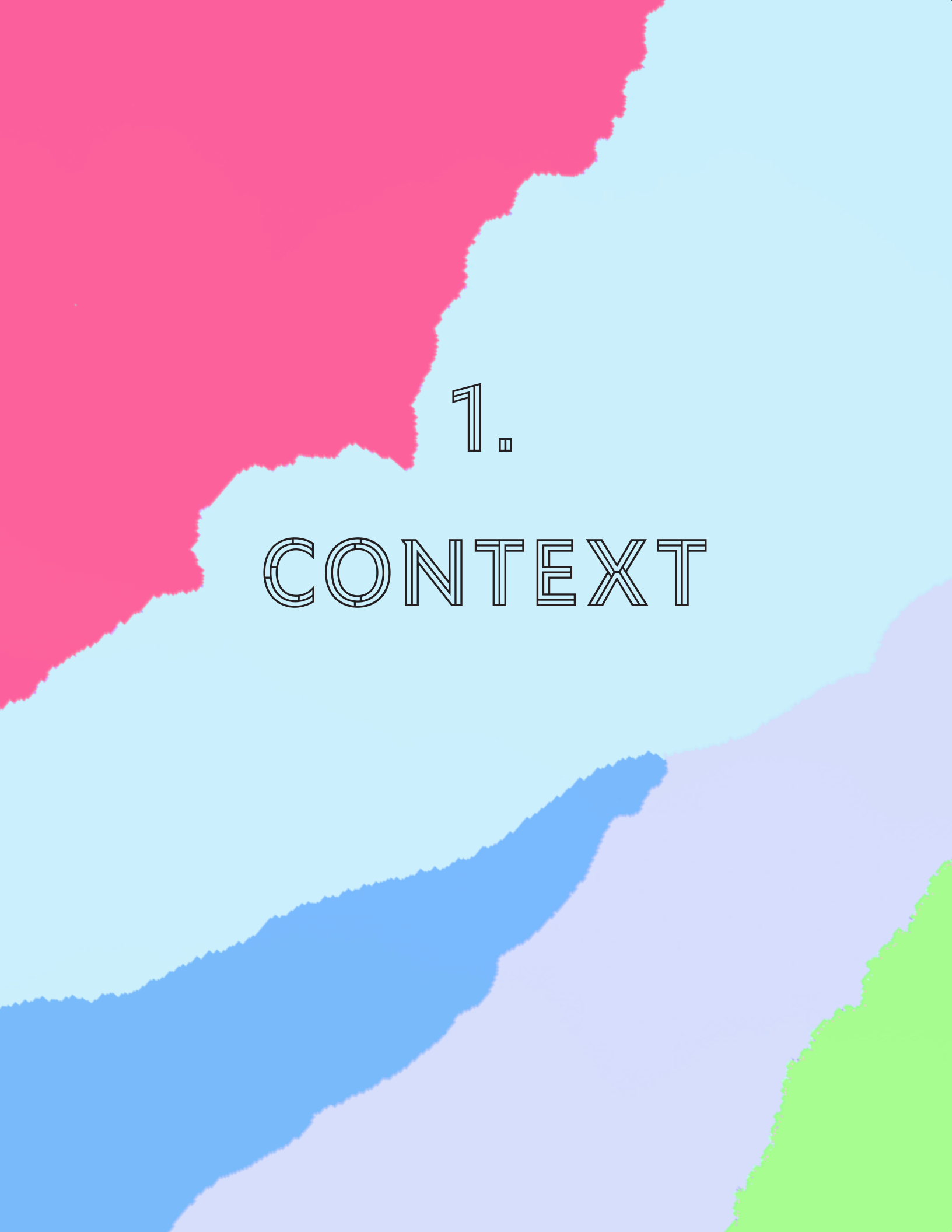
Executive Summary

In India, there has been a push toward platformization of everyday life. Domestic and international companies have made investments in capturing its burgeoning platform economy in sectors such as e-commerce, communications, and transportation. Cooperatives in India are heavily concentrated in the most unequal areas of the country's economy — agriculture, credit provision, and the predominant informal sector in general. Platformization is also causing a significant upheaval in these sectors, as more and more sub-sectors become increasingly structured.

Workers and users are increasingly organizing to democratically own and regulate the platforms that influence their lives. Platform cooperatives are being studied all around the world as a democratic alternative to the oppressive dynamics of corporate-run digital infrastructure. There is an emerging and rising movement in this approach, ranging from think tanks to government initiatives to platform co-op start-ups all across the world. The Union Ministry of Cooperation in India, established in July 2021, has been set up for fostering, supporting, and strengthening cooperatives.

This ICDE report examines the history of cooperatives in India, analyses the existing platform economy context, and discusses obstacles and issues in the platform co-op ecosystem. It offers a perspective based on comparable international best practices and generally acknowledged values and concepts. The report makes some policy proposals and develops a narrative about how new trends and initiatives (such as the ones in Kerala) might help rejuvenate the cooperative sector in order to meet the country's leadership and policymakers' national strategic objectives.

This study aims to situate platform cooperativism in the Indian context, positioning it as a feasible answer to India's specific needs. It examines political and legal issues in the context of the country's socio-economic circumstances. It also seeks to provide theoretical clarity on soft and hard infrastructure improvements that may be recommended to policymakers for consideration in order to promote the formation of platform cooperatives.



1.

CONTEXT

In June 2022, NITI Aayog launched a report titled 'India's Booming Gig and Platform Economy'.¹ The report estimates that in 2020–21, 77 lakh (7.7 million) workers were engaged in the gig economy. They constituted 2.6% of the non-agricultural workforce or 1.5% of the total workforce in India. The gig workforce is expected to expand to 2.35 crore (23.5 million) workers by 2029–30. Gig workers are expected to form 6.7% of the non-agricultural workforce or 4.1% of the total livelihood in India by 2029–30. At present, about 47% of the gig work is in medium skilled jobs, about 22% in high-skilled, and about 31% in low-skilled jobs. Trend shows the concentration of workers in medium skills is gradually declining and that of the low skilled and high skilled is increasing.

The pace of digitization has accelerated, altering societies and ushering in a new economic revolution with far-reaching ramifications for the future of work and employment. The combination of India's favorable population structure and the rapid proliferation of digital technologies places it at the forefront of this economic revolution.

The gig and platform economy is at the core of this unfolding paradigm shift. International Labor Organisation's 2021 World Employment and Social Outlook Report states that the number of digital labor platforms have grown fivefold over the last decade. Digital platforms offer innovative solutions in different sectors such as transport, retail, personal and home care. They provide promising income opportunities to workers with different skill sets and wider market access to businesses. The gig economy has demonstrated resilience even during the pandemic, with platform workers playing an indispensable role in urban India. The Economic Survey 2020–21 has noted that India has already emerged as one of the world's largest countries for flexi-staffing (i.e., gig and platform work), and that this form of work will likely continue to grow with the increase in e-commerce platforms.

However, despite the promise of revolutionizing work itself, the rise of "gig economy" has not been all rosy.² The platforms that dominate the gig economy are not only unprofitable but also come across as exploitative: their aggressive expansion has weakened public infrastructure and labor protections, demonstrates harmful environmental effects, and has exacerbated inequality, especially during COVID-19. Platformization of labor has created an unhealthy tussle between the market and the workers. Regulatory regimes are grappling with the question of directing policy to be supportive to all, benefiting the various stakeholders involved. The fallout between corporate owners of gig platforms and workers³ has shown that there is misalignment of goals of these two interest groups. Also, a growing public debate has taken place around personal data in the con-

text of digital society. Digital platforms extract huge quantities of such data from billions of users, which corporations process to analyse or to try influencing social and personal life (e.g., the case of Cambridge Analytica's business practices).⁴



2.

COOPERATIVES
AND THE
PLATFORM
ECONOMY

Cooperatives are people-centred enterprises jointly owned and democratically controlled by and for their members to realise their common economic, social and cultural needs and aspirations. As enterprises based on values and principles, they put fairness and equality first allowing people to create sustainable enterprises that generate long-term jobs and prosperity. Managed by producers, users or workers, cooperatives are run according to the 'one member, one vote' rule.

As the world enters the Fourth Industrial Revolution —the integration of physical, biological, and digital systems — the role of cooperatives in helping communities organize data resources is becoming more apparent.⁵ The idea of the “data cooperative” is slowly taking shape globally as a mechanism to rebalance power in the data economy and (re)create collective mechanisms to negotiate with technology companies and navigate questions on data rights. It is clear that data is a relational good: while our digital experiences may be individualized, the value of data derives from aggregation and insights about the relationships between individuals—and the harms from data use also happen at a collective or group level. In this context, the cooperative model offers a powerful institutional structure to responsibly steward the data of its members, safeguarding their interests while generating collective value.

The Movement

The cooperative movement was introduced to India as a State policy and owes its initiation to the enactment of the Cooperative Societies Act, 1904. In the pre-independence era, the movement has passed through various stages of development. The dawn of independence in 1947 and the advent of planned economic development ushered in a new era for cooperatives. Cooperation came to be considered as an instrument of planned economic development.

After independence, the Cooperatives were officially made a part of the mixed economy of India. The mixed economy comprises three sectors: Public, Private and Cooperatives. It was considered as the balancing element between Public and Private. It was made one integral part of the Five Years Plan (FYP). They are centralized and integrated national economic programs. Thereafter, in 1958 NDC (National Development Council) had recommended a national policy on cooperative. The Government of India made a National Policy of Cooperative in 2002. At present the Indian cooperative system is one of the biggest in the world. It is one of the strongest pillars on which agriculture and allied sector is flourishing. There are 850,000 cooperative societies of all kinds with membership of 300 million

covering almost 98% of villages and 25% national population in membership in the country. About 17 national cooperative societies, 390 state level federations, 2705 district federations and 97,961 Primary Agricultural Societies (PACS) are leading and guiding the cooperative movement of the country.⁶

A new Ministry of Cooperation was created in July 2021 by transferring the existing entries related to cooperation and cooperative in the business of the erstwhile Ministry of Agriculture, Cooperation and Farmers Welfare vide Cabinet Secretariat's Gazetted Notification. With the motto of "Sahkar se Samriddhi," (Prosperity through Cooperation) the country's leadership seeks to develop a sound, robust and sustainable cooperative sector that actively contributes to its economy, while demonstrating the ability to respond to the social and cultural needs of the community. The role of the movement is essential when it comes to the spirit of collectivism and democracy. It helps in maintaining the social capital base of the country. It aids in generating and utilizing social capital which is directly proportional to the development of a country.

Platform Cooperatives

Platform cooperatives are new types of cooperatives which are enabled by digital platforms. Compared to other types of platform-enabled businesses, platform cooperatives are member-owned, cooperative organizations with members having full democratic control over the platform and value created⁷. Thus, platform cooperatives aim to co-create and share value created with their members on a more equitable basis⁸. They initially emerged in response to the so-called platform capitalism (represented by companies such as Uber and AirBnB). In particular, they were concerned by the negative societal effects of so-called sharing economy such as exploitation of digital labor, unfair competition, increased housing prices and a proclaimed, but doubted environmental sustainability. Their primary (dual) goal is economic success combined with the social change, achieved through ethical business practice.

In spite of their rapid growth, as evidenced by Platform Cooperativism Consortium, they are poorly understood. Case studies are emerging around specific platform cooperatives^{9,10}. Yet, platform cooperatives are often just briefly mentioned in research on sharing economy^{11,12}. Other researchers recognized the potential negative social impact of the sharing economy or investor-owned profit-driven platform companies, asking for more ethical alternatives towards fairer and more sustainable sharing economy^{13,14}.

Rules of Practice

The formal rules of practice for cooperatives can be said to have been developed in the mid 19th century. These practices have over years transformed into cooperative principles, and after the 1995 centennial Congress of the ICA, into the Statement on the Cooperative Identity (hereinafter the Statement) comprising a definition of cooperatives, the statement of cooperative and ethical values and a set of seven principles which cooperatives use to put the values into practice¹⁵. Table 1 presents a framework for cooperatives in India:

Table 1: Framework for cooperatives in India

Co-op Principles	Potential rules of practice
Principle 1 Voluntary and Open Membership	Choose to become member; make a commitment to co-ops Members – users of services or participate in business, co-owners and co-decision makers with authority over major business decisions Open to all Willing to accept responsibilities No discrimination – gender, age, religious, racial etc.
Principle 2 Democratic Member Control	Governance and engagement - real and effective rather than notional (controlled by management or elite) Open, transparent, accountable Primary co-op members have equal voting rights (one member, one vote) Diversity of board, remuneration, term limits Good governance code/practice Board competence/audits Voice of employees
Principle 3 Member Economic Participation	Member Economic Participation Contribute equitably Capital (at least part) common property Limited compensation Allocate surplus – develop co-op, reserves (part indivisible), in proportion to transaction

Principle 4 Autonomy and Independence	UN Resolution (A/56/73) and Guidelines on Cooperatives 2001 ILO Promotion of Cooperatives Recommendation (No. 193)¹⁶ Relationship with Governments/Municipalities ● Establish legal framework, enabling environment ● Regulation - supportive or discriminatory ● Compliance ● Cooperatives as a policy tool ● Appointments Influence of Government/Municipalities Agreements to raise capital Relationship with suppliers and customers Role of Board
Principle 5 Education, Training, and Information	Education for members and board Training to staff Information to public Outreach to young people Specialized institutes to provide education and training Inclusion in curricula Research and technology
Principle 6 Cooperation among Cooperatives	Structures for cooperation Economic dimension Social dimension Secondary cooperatives
Principle 7 Concern for Community	Sustainable development Peace and justice Concern for employees Concern for young people

Thus, the cooperative principles highlight collective decision-making, redistributing value, digital literacy, and prioritizing community interests, which are all critical considerations in effective data and platform governance.

3.

STAKEHOLDER MAPPING

In India, the services sector has been on an economic ascension that is likely to continue¹⁷. With the manufacturing and agricultural sectors in relative decline; the rise of the gig economy, particularly through platform-based work; and the rise in collective organizing in the latter; these three factors have combined to highlight certain sectors within the broader services sector in terms of their potential for platform cooperative development. In this context, three areas have been identified in previous work¹⁸ in terms of platform collectivization in India:

1. Ride-hailing app-based workers,
2. Care work,
3. Delivery service workers.

Agriculture and related industries, services, banking, and communications provide fertile ground for sowing the seeds of a platform cooperative ecosystem in India. The increasing corporatization of the economy, informalization of work, and digitization of the workplace appear to be a growing behemoth. Because digitization is still in its early stages for a large portion of the economy, introducing collective ownership practices over platforms provides an opportunity to ensure a democratic and dignified life for an increasing number of platform workers.

It is important to mention that women's cooperatives - and other informally organized women's collaboratives like self-help groups - play essential roles in promoting gender equality. These cooperatives typically pool labor (as in worker's cooperatives), capital (as in micro-lending groups), or both. Data is another valuable asset that can be pooled for collective good. Individual members of co-ops are already passively or actively generating data, although in many cases the value of this data is captured solely by other entities—tech platforms, for example. Data cooperation would divert some of this value to individuals while proactively preventing harm.¹⁹

Policymakers need to shed traditional conceptions and perceived restrictions cooperatives might have carried thus far and provide an enabling environment for platform cooperatives where they can contribute equally to the growth story of India. For instance, there is no legally enforceable definition of platform cooperatives, and this must be clarified in the subsidiary legislation or/and the national policy on cooperatives in India, working closely with all players in the ecosystem. Below is a mapping of the potential stakeholders:

Table 2: Mapping key stakeholders in India

Stakeholders	Sample entity
Academic researchers	IT4Change
Cab aggregators' cooperatives	Ernakulam District Car Drivers Welfare Society
Civic activists	Journalists
Cooperative federations	National Cooperative Union of India
Funders	Godrej Consumer Products Limited
Gig workers	All India Gig Workers Union
Project designers	Kerala Development & Innovation Council
Policymakers/Think Tank	Ministry of MSMEs, NITI Aayog
Regulators	Registrar of Cooperatives, Ministry of Cooperation
Technology collectives	Nilenso
Care workers	SEWA Federation

The organizations considered above represent a small subset of the larger ecosystem that is already in place, albeit dispersed, for platform cooperatives to develop. The most difficult challenge is facilitating institutional cross-pollination and collaboration in resource and knowledge sharing, which would allow such an ecosystem to consolidate an already shared vision in their practices. Based on the foregoing descriptions, the following could be registered:

1. Technology capabilities of stakeholders are to be improved in customer service, digital channels, mobile apps, call centres, product development, process improvement, quality management systems etc.
2. The cooperative identity (which includes the definition, values and principles of cooperatives) needs to be further emphasized in the discussions and the workings of potential platform cooperatives. By doing so, closed membership, lack of autonomy, insufficient attention to member education, and limited cooperation among cooperatives, could be overcome.
3. There is a lack of cooperative education and training, as well as communication, regarding the benefits of platform cooperation. Education of members and board on their role and responsibilities and training to staff is a vital and integral part of platform cooperatives.

4. Secondary level cooperatives have engaged on policy issues. They must be empowered to allow emergence and sustainability of platform cooperatives.

The above issues draw attention to the need of raising the capacities of platform cooperatives in India and how best to work together to heed and operationalize the cooperative principles. Platform cooperatives in India must be enabled to grow and develop as a democratic, autonomous, and independent socio-economic movement, while at the same time show their resiliency as a competitive business model. A growth mindset towards the creation of a member-driven movement, with firm oversight by the Government, becomes imperative. A paradigm-shift from capital to member-driven mechanisms will have to take place, to differentiate clearly from private sector mechanisms where the redistribution of profits needs to shift from share-based mechanisms in private companies to members' own active engagement as owners, users, contributors, and controllers in the platform cooperative sphere.



4.

ECOSYSTEM DEVELOPMENT

Platform cooperatives are cooperatively owned computing-based platform economy models, as against ownership by capital infusers/VCs. They use technology platforms for businesses to sell goods or services primarily through a website, mobile app, or protocol and rely on democratic decision-making and shared platform ownership by workers and users. They can play an important role in the services sector in India and its states by collectivizing workers, increasing their bargaining for productive assets, enhancing financial inclusion, and generating employment and jobs. They can also play an important role in adding value to the Micro, Small and Medium Enterprises (MSMEs) ecosystem by generating cluster effect, selling and buying, and in supporting business support services.

International Benchmarking

As economic actors, platform cooperatives are active in a variety of sectors globally (provision of food, mobility, care, support of MSMEs, tourism, IT). They contribute to the creation of jobs inside – but also outside – the digital sector: they have the potential and aim of reinforcing local and micro-enterprises rather than destroying them, hence promoting diversity of products and services rather than the homogeneity of big companies. Platform co-ops have an important capacity to foster community-based entrepreneurship involving also and in particular younger generations. Examples for such platform cooperatives (and their federations) are Coop-cycle, Pwiic, and Open Food Network.

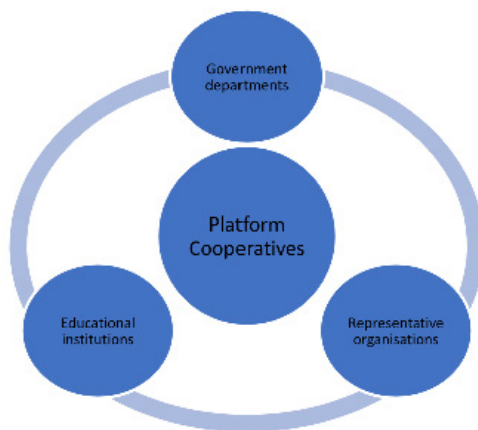


Figure 1: Support systems for platform co-ops

Based on international experiences, the support systems for platform cooperatives include government departments (including municipalities, financing institutions etc.), representative organizations (including solidarity economy organizations, trade unions etc.), and educational institutions (including incubators, accelerators, universities etc.)

1. The role of government departments/municipalities in most countries is to regulate and provide a supportive policy and legal framework consistent with the nature and function of (platform) cooperatives and guided by the cooperative values and principles. They also provide the oversight of (platform) cooperatives, on terms appropriate to their nature and functions, which respect their autonomy, and are in accordance with national law and practice, and which are no less favorable than those applicable to other forms of enterprise and social organization. Lastly, they should encourage the development of platform cooperatives as autonomous and self-managed enterprises, particularly in areas where they have an important role to play or provide services that are not otherwise provided. Women's cooperatives, in particular, need to be encouraged.
2. Representative organizations can be national level, sub-national, sectoral, and cross-sectoral. The enabling environment in which platform cooperatives operate exerts a strong influence on the capacity of apex associations to develop and be effective. The main function of these organizations is to provide useful services to their members, undertake advocacy efforts on behalf of their members, and build networks with national and international organizations. Most successful national-level apex organizations derive income from membership dues, fees for services to members and non-members, and from selling products/services of their member cooperatives to cover their operating costs.
3. Cooperative education and training is one of the cooperative principles which seeks to provide education and training for cooperative members, elected representatives, managers, and employees, so that they understand their role and can contribute effectively to the development of their platform cooperative. Cooperative education has played a central role in the growth of the cooperative movement and is a driver of platform cooperative development.

Table 3 lists some of the support systems in some countries.

Table 3: Platform Co-op support systems internationally

Country	Government depts.	Rep. Organization	Educational Institutes
India	Kerala Development & Innovation Strategic Council	National Cooperative Union of India	National Council for Cooperative Training
Italy	Municipality of Bologna	Legacoop	European Research Institute on Cooperative and Social Enterprises (EURICSE)
Spain	Barcelona City Council	Mondragon Corporation	Mondragon Technical Academy
United States of America	California's Municipal Government	National Cooperative Business Association (NCBA CLUSA)	Institute for the Cooperative Digital Economy (Platform Co-operativism Consortium)

Platform cooperatives in India have not received the same level of support from representative unions and cooperative educational institutes as they have in other countries. The role of Government in recognizing the importance of platform cooperatives (constitutional provision), creating an enabling environment (recognized as business), and providing support in their development is essential.

In the 20th century, economically structured by the massive use of personal cars, public investments enabled the creation and maintenance of roads and mobility infrastructures, connecting every household to an economic centre. Networks hardware are crucial, but collaborative platforms facilitating the coordination among local stakeholders and accelerating the social and ecological transition of territories, through the promotion of local economy and the relocalisation of production, should also be supported by public programs.

Cooperatives should receive state funding at the start-up stage but eventually need to be autonomous and self-governed. Support systems should bring together unions, cooperatives, restaurant owners, workers in the informal sector, store owners, service cooperatives, and technologists (programmers, designers, etc.) to launch digital platforms that serve all stakeholders in an ecosystem based on principles of synergy rather than principles of competition.

Emerging Offshoots

Indian cooperative laws are largely geared towards traditional cooperatives in dairy, agriculture and construction sectors, and not yet for platform services. However, below are a few notable mentions of few initiatives in various stages of development:

1. In Kerala, a number of intriguing digital platform cooperatives in the food delivery and transportation sectors are emerging. Collaboration between private organizations, labor unions, small and medium-sized businesses, and government agencies is encouraged through these initiatives. The Kerala Metropolitan Transport Authority, a newly formed city transportation authority, is also supporting and initiating some of these initiatives.²⁰ The Kerala Knowledge Economy Mission identifies the platform co-op model as a solution to address increasing social security concerns, as platformization of work will continue in the foreseeable future.
2. Rezoy is a food delivery app that is owned and operated by the Kerala Hotel and Restaurant Association (KHRA), a statewide organization of hotel and restaurant owners. An existing organization of small and medium-sized dine-in hotels and restaurants, which has traditionally served only as a bargaining platform against state control, has risen to meet the competition posed by the entry of food delivery apps such as Zomato and Swiggy.²¹
3. Nilenso is an employee-owned software cooperative. All 16 Nilenso members annually elect two executives who are responsible for making operational decisions, like staffing, facilitating meetings and interacting with external stakeholders. They have led and shaped projects in e-commerce, machine learning, healthcare, payments and education, delivered in a variety of languages and platforms.²²
4. Yatri and AuSa Apps: Two digital cooperative models promoted by Kochi Metropolitan Transport Authority. Yatri is a platform cooperative for taxi drivers that operates as part of the Kochi Open Mobility Network project. AuSa app is for auto rickshaws.²³
5. GoCoop, an e-commerce platform that works with cooperatives and producer organizations in the handloom and handicrafts space in India. It connects artisans, weaver co-operatives and clusters directly with consumers across the world. They enable sustainable livelihoods for artisans by ensuring fair prices to them, and authentic handlooms and crafts to consumers.²⁴

6. An autorickshaw union in Bengaluru has launched a new ride-hailing mobile app called 'Namma Yatri' that connects customers directly to auto drivers without an intermediary. The Namma Yatri app aims to tap into the market with affordable fares for customers by removing the middlemen.²⁵

There have been some discussions on opportunities for platform co-ops in the Indian states that show the highest density of cooperatives – but Kerala seems especially conducive for this work because worker-led movements have been the cornerstone of the state's politics. There is a wide field of experimentation with cooperative digital businesses by unions, cooperatives, and the Government, which is promising.

The Kerala Food Platform

Confronted with second-generation issues in many key sectors, Kerala is facing challenges of providing holistic health care, employment-oriented skilling, enhancing quality of education, high quality social security, continued food and nutrition security with a pro-poor bias, gender justice and inclusion of outliers, all within severe fiscal constraints. The state also must address decades of infrastructure deficit and make rapid strides in cutting edge areas of knowledge revolution and tourism without infringing upon its fragile environment and impacting adversely upon its biodiversity. The Kerala Development and Innovation Strategy Council, (K-DISC) is a strategic think-tank and advisory body constituted by the Government of Kerala to address the above issues.

K-DISC has leveraged platform innovation and digital technology to tackle some of the issues in Kerala's farming sector. The Kerala Food Platform is connecting all stakeholders (including cooperatives) and managing supply chains. The project is part of an e-governance initiative to establish an agriculture information management system and take the services of the Government department online.²⁶ The platform, piloted at the Palliakkal Co-operative Bank in Ernakulam, is being adapted to the requirements of the Agriculture Department to enable procurement and connect with the wholesale buyer network. It allows for the aggregation of local produce, besides its sorting, grading and quality checking. Using blockchain technology, it helps align the diverse players in the agriculture eco-system.

A digitized supply chain opens up a new avenue for homestead farmers, especially those cultivating perishables. The assured return at a right point of time serves as an incentive for farmers to join the network. The pro-

duce of farmers who register on the network is routed to the area where it will fetch the maximum price. The transportation and marketing is done through cooperative societies. Cooperative banks have been giving interest-free loans for paddy farming and other loans at 4% interest. Neither the farmer's property nor gold is mortgaged. They also follow a humane approach when it comes to repayment of the loans. All the products are insured and are sold through the bank's outlets.

While this is an interesting model for replication in other sectors and provinces, there is scope to improvise within the legal framework. The Kerala Cooperative Societies Act, 1969 looks at the cooperative movement from the limited perspective of agricultural and credit sectors. S-4 of the Act requires at least 25 members of different families for a society to be registered. Refreshingly, it mentions and acknowledges the cooperative principles in the Schedule to the Act. The general body of the cooperative under S-27 appears more empowered to take decisions. The Committee which looks after day-to-day business of the cooperative under the Act can be mired in executive interference as the regulations around the bye-laws are stringently under Government regulation, which is fertile ground for mandatory involvement of executive interests such as nomination of members of political parties, family and friends etc. in the absence of qualifying requirements.

Also, the Act delves into aspects of Cooperative Union and welfare schemes for cooperative members. It is noteworthy that there is an Ombudsman scheme within this framework under S 69A, where ombudsman is appointed by the government for concerns on the functioning of cooperatives. However, the biggest critique of the regulatory framework around cooperatives has been that it imposes an external objectivity which is devoid of the understanding of the internal workings of a cooperative²⁷. This is further reflected in the detailed mandates for spending profits of the cooperative, limiting the autonomy of the members in deciding how to divide and utilize the profits. Service cooperatives do not appear to have been a point of consideration within this framework.

5.

RECOMMENDATIONS

Platform cooperatives in India and its states can play a significant role in growing the economic footprint while also catering to the evolving human, societal and environmental needs of people. Its unique member-ownership structure and democratic governance model can create opportunities for new organizations to emerge that are aligned on mission and focus on long term sustainability. In order to do so, it is recommended to integrate the following aspects into strategies, programmes and policies at the Union, state, district and city/village level:

Awareness Raising

1. Platform cooperatives, their values and principles and their added value for development are not much known and visible in India. Their model could be spread and promoted through awareness-raising activities targeting potential communities willing to engage in platform co-op initiatives, (potential) users (including social economy and other enterprises), policymakers, civil society or citizens in general.
2. MSMEs, social economy enterprises, civil society and other players should be made aware of and be encouraged to use and cooperate with platform cooperatives as a tool helping them develop their own activities, products and services, but also as a means to set up partnerships, create and mutualise knowledge and other type of resources.
3. Programmes and policies might also consider supporting the creation of any kind of acknowledgment of the platform coops' standards of quality (fair working conditions, fair wages, ethical use of data, positive impact on the local economy, consideration of aspects related to environmental protection, use of free software, open knowledge, transparency, democratic governance etc.).

Collaboration Infrastructures

1. Programmes and instruments under Digital India²⁸ have a great potential to stimulate investments in the creation and further development of platform cooperatives as a key factor of success for sustainable digital transition. Investments should help create and/or strengthen dedicated financial mechanisms for platform co-ops (especially for seed funding). Moreover, they could provide incentives to mobilize additional public funding and patient capital.
2. The support to social entrepreneurs funds²⁹ and other forms

of financial support to increase the access to capital for enterprises should design strategies to support platform cooperatives in the booming gig economy.

3. These measures must take in consideration that in contrast to other start-ups, the platform co-ops early investments in many cases will make their exit to the community of users. The co-creation of incubators, cooperation in the framework of public procurement or participation in equity are a few examples.

Capacity Building

1. Provide opportunities for platform cooperatives and related (community) initiatives to increase their potential to access funding.
2. Enable policymakers, administration, and civil society to increase their understanding and set up more efficient partnerships with the sector.
3. Investments and programmes should also stimulate integration of modules on platform cooperatives into programmes of universities, business schools and other educational institutions focusing on digital transition, sustainability, innovation and entrepreneurship. It should finally raise awareness about the negative impacts of algorithms used by the platform economy regarding race, gender, and social-class hierarchies.

Promoting Research

1. Higher investments – for example in the framework of the IM-PRINT-India initiative³⁰ – are needed for research which investigates the models, practices, and potential of platform cooperatives as pioneers of a digital transition which takes the active participation of people and districts as a point of departure and fosters cooperation.
2. This would contribute to raising awareness, better understanding and knowledge of the sector, helping the platforms in enhancing their projects, and providing better evidence stimulating possible partnership with public authorities, investors, etc.

Sectoral Push

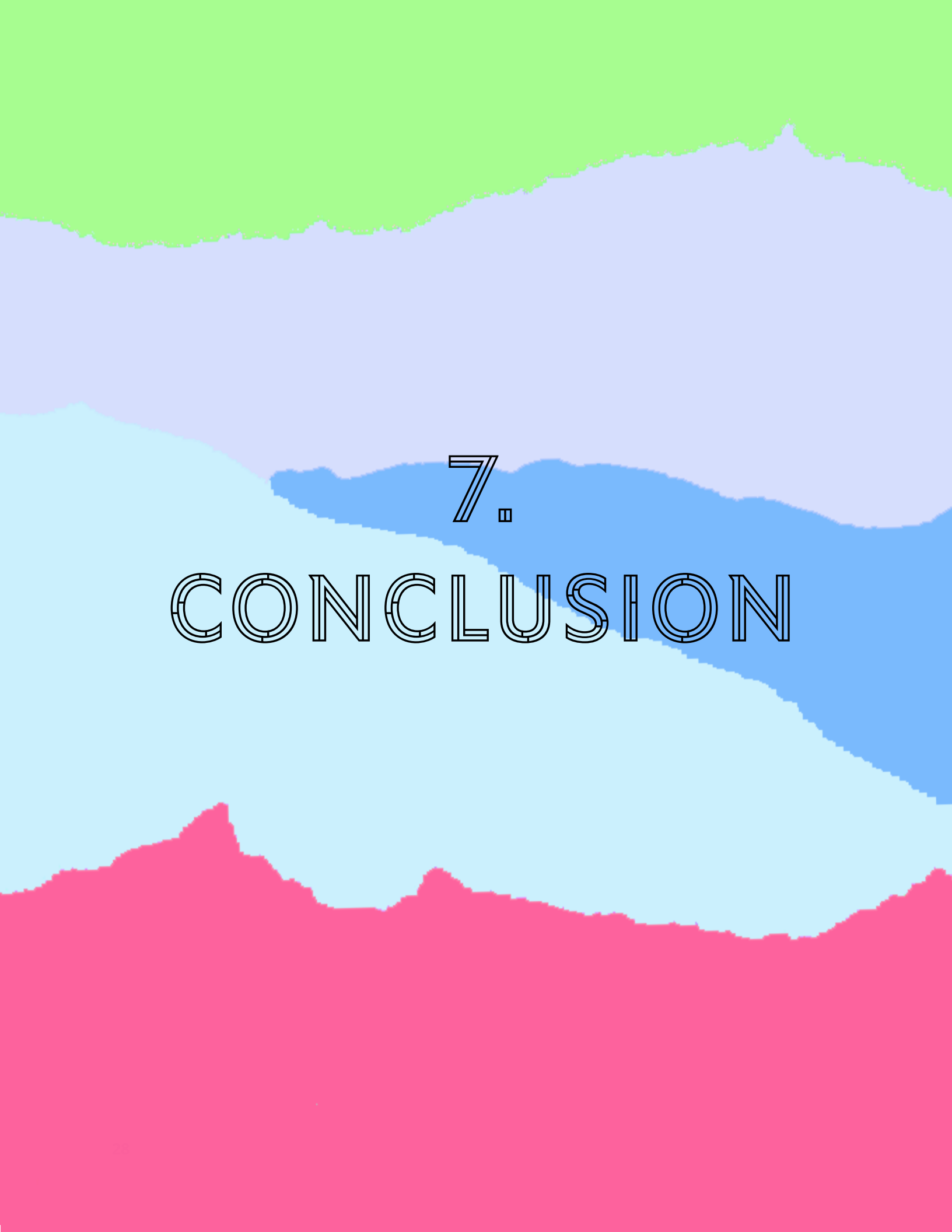
1. Policymakers should promote platform cooperatives in the services and industry sectors as these are growth areas. India has a strong

e-commerce market which is expected to significantly grow in the coming years³¹. Consumer cooperatives have a weak presence at the brick-and-mortar level and there is an opportunity for them to network and expand their presence online.

2. Specific programmes and policies in tourism and culture should consider cooperation with local communities, communities of artists, etc. There is a scope to develop fair and sustainable tourism that keeps and creates local value, such as Fairbnb³².
3. Stimulate cooperation between the platform cooperatives, on one hand, and cities and regions, on the other. The mapping of, involvement of and cooperation with key partners (banks, alternative and ethical finance, public authorities, clients, suppliers...), will enhance the success and sustainability of such initiatives. A platform cooperative federation in India could be useful to mobilise proposals and resources.

Data Policies

1. Investments should encourage democratic governance in the collection and use of user data, support experimentation (e.g., regarding the creation of data cooperatives³³, as a tool to ensure the users ownership on the data they create) or stimulate further research and experimentation around practices of data interoperability facilitating platform cooperatives.
2. Knowing the frequency, nature and extent of economic interactions between members will help to improve the services that are provided to co-ops. Incidents like not possessing data on wage workers³⁴ can be avoided and policymakers should be able to track what skill-sets are in demand in the market. This in turn would improve the ability of central planning agencies to better optimise course structures and upskilling programmes in the future.



7.

CONCLUSION

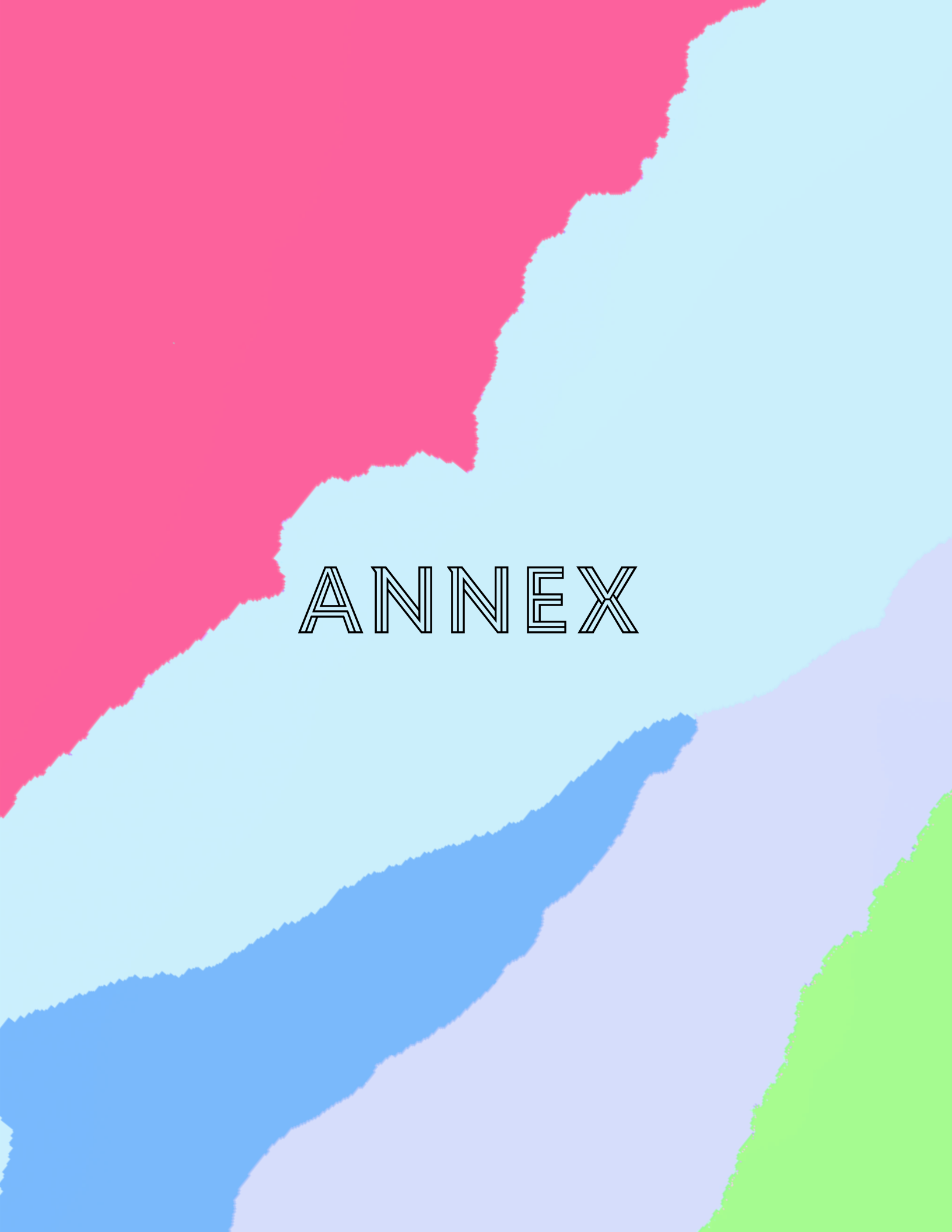
Platform cooperativism is an under-researched area in the global South. This impedes the development of policy aimed at assisting platform co-operatives. Furthermore, an India-specific policy must address the difficult issues of socio-economic significance and feasibility, which should be established to drive policy-level reforms. The initiatives and examples laid out in the previous sections of this report suggest that future-oriented policy changes can enable the collectivization framework in the platform economy.

While the economic potential of the gig and platform economy in India is burgeoning, it poses serious challenges in upholding labor rights due to massive casualization of the workers which is only exacerbating due to its meteoric rise through the pandemic adapted economy. Policymakers need to introduce legal frameworks to ensure registration of all platform based gig workers and facilitate their access to social security through an end-to-end digital platform. Building back better from the pandemic and designing a fairer economy requires policymakers to actively promote the establishment and use of platform cooperatives. As such, platform cooperatives do the same work that privately-owned platforms do. They match labor with customers. However, they are democratically governed organizations owned by workers, customers and other stakeholders that return a greater share of income to workers, increase labor protections, and build communities.

Kerala's cooperative sector is one of the most thriving models for socio-economic growth in India. It is a key driver of the state's economy and has been instrumental in poverty reduction and social empowerment. The sector is well-governed and provides essential services such as agriculture, healthcare, banking, infrastructure and education. By studying the critical factors in the success of Kerala's cooperative sector, other states can contextualise to create similar models in the booming platform economy. The Union, States, and other stakeholders can reap benefits from broad-based employment platforms like the Kerala Knowledge Economy Mission or agriculture initiatives like the Kerala Food Platform. But for such technological innovations to succeed, they require more nuance, engagement, and diversity at the design stage to cater to the needs of all stakeholders.

India can develop a sound, robust and sustainable platform cooperative sector that can actively contribute to its economy, while demonstrating the ability to respond to the social and cultural needs and aspirations of the members and through them, the wider community. The Platform Cooperative Consortium through its Institute for Cooperative Digital Economy brings evidence-based international expertise and showcases rele-

vant models from different countries to promote the platform cooperative model, increase awareness, build capacity and in the process increase visibility and contribution of platform cooperatives to key socio-economic indicators in India.



ANNEX

Methodology

Below-listed are the critical questions which the report attempts to address:

- i. What is the state of platform cooperatives in India, especially in Kerala?
- ii. What are/can be the socio-economic contributions of platform cooperatives to the booming gig economy?
- iii. How to create a policy environment that facilitates effective utilisation and the success of platform cooperatives in India?

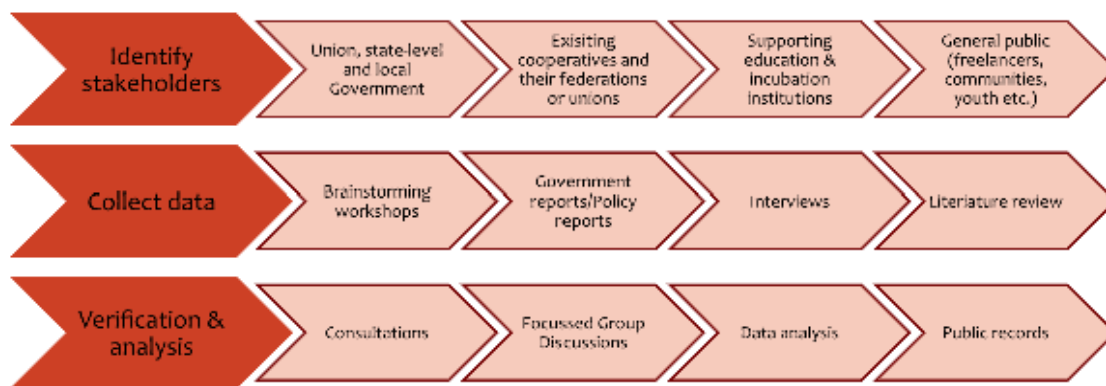


Figure 2: Research Methodology

A qualitative research methodology was adopted for this report. Data collection was carried out mostly through secondary (literature review) and primary research (interviews, meetings, consultations, workshops, surveys etc.). This was undertaken during the period April to December 2022.

Below are the key sources of primary information. The sample was selected based on snowball and purposive sampling methodology. The study began with a small population of known individuals and later expanded the sample by asking those initial participants to identify others that should participate and contribute to the study. This allowed the author to consider prior knowledge on the sample organizations to determine which of them can effectively respond to the research questions.

Union, state-level and local Government

1. NITI Aayog
2. Union Ministry of Cooperation
3. Kerala Development and Innovation Strategic Council

Existing cooperatives and their federations or unions

1. National Cooperative Union of India
2. Self Employed Women's Association
3. Uralungal Labour Contractors Cooperative Society

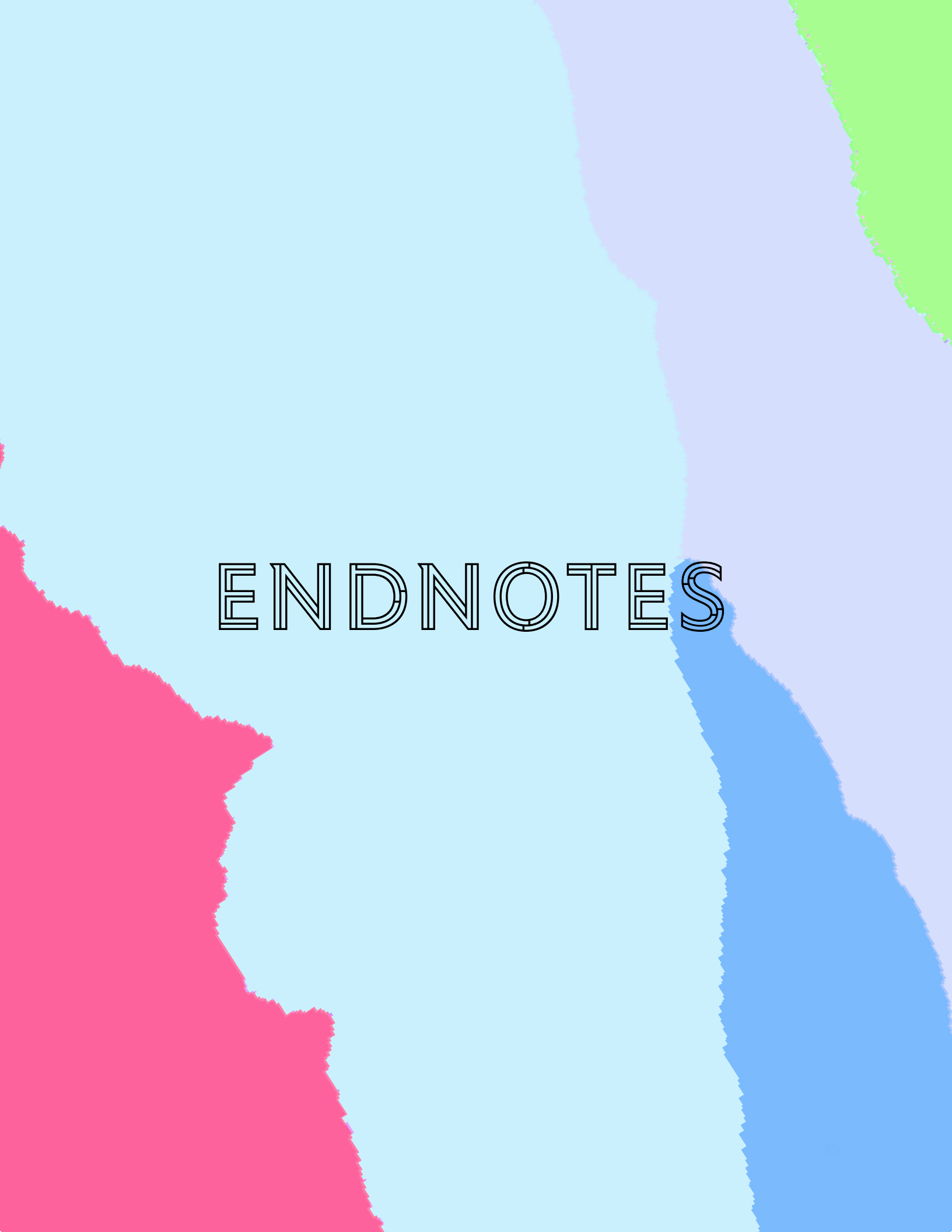
Supporting education & incubation institutions

1. IT4Change
2. Jamia Milia Islamia
3. Chanakya University
4. BITS Pilani
5. Bharat Inclusion Initiative – an incubator platform

General public (freelancers, communities, youth etc.)

1. Billion Lives – Technology for Social Good
2. Freelancers at Nilenso
3. ICDE alumni

The questions were sent to respondents via email. The responses collected were a combination of online and offline interviews and consultations. The methodology adopted to analyse data was Textual Analysis. Microsoft Office 365 was used to review and analyse.



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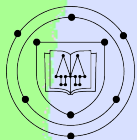
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